

[By Michelle Monroe](#)

As part of his meeting with local business leaders at St. Albans City Hall on Tuesday, Rep. Peter Welch, D-Vt., heard about plans for downtown, the impact of weak consumer demand, and local sentiment regarding the arrival of Walmart next year.

The city will begin work this fall on a streetscape project within the business district. Welch helped secure \$380,000 federal funding for the multi-million dollar project.

Welch's support, said St. Albans City Mayor Liz Gamache, was "instrumental in taking us from lots of ideas to implementation."

Michelle Bessette, of As the Crow Flies, and Kevin Smith, of Kevin Smith's Sports Connection, spoke of the challenging environment for retail businesses.

Bessette was optimistic that the streetscape project would help draw people downtown. "Beauty attracts people," she said. The streetscape project will expand the sidewalk across from Taylor Park, and add new lights, plants, signs and sidewalks downtown. In addition, the city has given grants to assist owners in improving their building facades.

"We all know people we would love to see in our stores, who we don't see in our stores," said Bessette, adding, "I'm hoping these changes downtown will make it more attractive."

Asked if the increased number of people working downtown is beneficial, Bessette replied it has helped. "We've seen it with the Passport office," she said. A U.S. Passport Agency opened on South Main Street last year in the former post office building.

Smith, however, expressed concern about too many offices. "It's not a retail downtown. It's a

professional downtown," said Smith.

Bessette concurred, saying, "We just don't want to be a downtown of non-retail business."

Smith said he cannot raise prices to compensate for his increased costs. "We can't raise our prices at all... We are just tied to the Internet," he said. Smith described how customers will scan product bar codes with their phones which will then list the five lowest prices for the same item online.

Smith said he matches online prices and his staff points out that prices may be lower online, but customers will have to pay for shipping.

Welch said he has heard from numerous merchants in the state about how shoppers use their businesses as showrooms, examining the product in the store and then buying it online. He has proposed a Main Street Fairness Act to require Internet retailers to pay the same sales taxes as local businesses. "For me it's just a basic fairness issue," said Welch. The act has been gaining support in the House of Representatives, according to Welch.

Walmart, Smith said, is going to hurt downtown businesses. The huge box store could open as early as October or November, 2013.

Bessette agreed. "[People] always say to me, 'with Walmart coming you're going to be fine because you've got different things,'" said Bessette. While 70 percent of her products aren't available at Walmart, the rest are, she said. Losing sales on that remaining 30 percent will hurt her business, she said.

"It could be a tough transition next year, especially for St. Albans," she added.

Smith pointed out that once local businesses are gone and Walmart has no completion, "Guess what, those prices aren't going to look so good anymore." He has seen it in suppliers and other

industries. When competition is eliminated, prices go up, suggested Smith.

"Consolidation is not good for the average consumer," he added.

Borrowing is also a challenge for new or expanding businesses, according to Bessette.

Tom Gallagher of Peoples Trust Co. said, "I think there's plenty of available funds for good quality borrowers."

"There's less quality loans coming across our desk," said Gallagher.

Welch asked if that might be because of weak demand.

Richard Cummings of Vermont Structural Buildings said demand had a brief resurgence this year, "but that's softening."

"It doesn't appear the general economy is going to be all that good next year or even the year after," said Cummings.

Paul Clark said he had observed a similar pattern in real estate. People grew tired of postponing purchases and there was an increase in housing sales, explained Clark. However, Clark said that increase is "starting to soften a bit."

"Banks have not been as easy to deal with," said Clark. Previously, they may have been too liberal in lending, but now they're too conservative, he said, suggesting there is a need to find middle ground.